



**The Policy Document of  
“The Genesis”  
Quantum Innovation Council (QIC)  
In association with**



  
Registrar  
Quantum University

**Quantum University Roorkee**

## **Introduction**

The Genesis – Quantum University Innovation Council (QUIC) is established to encourage research, innovation and entrepreneurship and for easy creation and nurturing of Startups/enterprises by students, faculty, alumni and potential startup applicants even from outside the institution, to help create an entrepreneurial environment in the institution. QU Innovation Council has been established as a section 8 company registered under the Companies Act 2013, to develop professional entrepreneurial ability in the society.

The Genesis – QUIC, has prepared the following incubation policy to promote new entry into products, processes and services for commercial exploitation and the benefit of society.

The scope of this document is to define the policies and procedures for the operational matters related to the The Genesis – QUIC. It covers the following processes:

- 1. Policy Objectives**
- 2. Objective of The Genesis – QUIC Eligibility**
- 3. Admission Procedure**
- 4. Pre-incubation Facility**
- 5. Incubation Facility**
- 6. Intellectual Property**
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The policy is subject to periodical review and amendments. It will be the responsibility of the companies admitted to The Genesis–QUIC to update themselves from time to time on amendments in Incubation policy and procedures. Quantum University reserves the rights to make an exception of all or any of the terms of policy for a particular company or a promoter on a case to case basis.

### **1. Policy Objectives**

The goal of The Genesis – QUIC at Quantum University is to promote entrepreneurship and thereby facilitate practical application of knowledge for public use. Quantum wishes to facilitate the creation of ideas and inventions that benefit society. To this end, Quantum has adopted this Incubation Policy to provide guidance and management structure to facilitate development of entrepreneurship.

## **2. Objective of IIC**

- a) Organizing activities/events/lectures to promote entrepreneurial spirit in the youth.
- b) Setting up of an Entrepreneurial Cell, one of the routes via which students can gain access to The Genesis – QUIC.
- c) Mentoring by the in-house-faculty and industry experts for budding entrepreneurs, students, alumni and faculty.
- d) Fostering the spirit of competition by nominating Quantum students for various inter and intra-college entrepreneurial contests.
- e) Coordinating and providing the live project opportunities for the participants to provide them with industry interface.
- f) Collaborating with Mentors, other Incubators, Angel Funds, VC Firms and Government Startup Schemes for the development of the Incubatee.

## **3. Eligibility**

The admission to The Genesis – QUIC may be in anyone of the following categories:

### **Category I :**

Faculty, Students and Alumni of Quantum having the intent of trying out a novel idea for up-gradation to a commercial proposition, scaling up a laboratory proven concept, and setting up a technology business enterprise qualify for a pre-incubation project. In this category, people must have an idea and they will undergo pre-incubation stage. It is expected that the innovator would like to commercialize the technology and would graduate to Category II within months from beginning the pre-incubation. However, if their business plan is fully developed and the committee feels so, they can directly be admitted to the incubation phase.

### **Category II :**

Start-up Company promoted by a first generation entrepreneur desirous of R&D partnership with the institute or a company, with the objective of commercializing a novel technological idea, scaling up a laboratory proven concept and setting up a technology business enterprise. A company has to be registered with ROC (Registrar of Companies) to be incubated in The Genesis – QUIC(except Category I). A company not registered with ROC (Proprietorship or Partnership) would have to do so within 6 months of admission to The Genesis – QUIC.

## **4. Admission Procedure**

Anyone who wants to be selected as an incubatee must register through website. After registering, Category I has to give details of their ideas and Category II has to put all the details about ideas, registration certificates etc. All the applicants shall have to read and agree to the terms and conditions of the incubation, their applications shall be processed only when they agree to the terms and conditions of The Genesis – QUIC.

### **STAGE 1: Submit Executive Summary or Business Plan**

As a first step in the admissions process, the prospective company should submit an Incubation Application containing the business plan. An internal review committee shall review technical and business feasibility of the idea.

Evaluation Criteria:

Some representative criteria to be applied for evaluation (not limited to these)

- a) Strength of the product idea in terms of its technology content, innovation, timeliness and market potential

- b) Profile of the core team/promoters
- c) Intellectual Property generated and the potential of the idea for IP creation
- d) Financial/ Commercial Viability and 5 year projections of Profit & Loss Account, Balance Sheet and Cash Flows
- e) Funds requirement and viability of raising finance
- f) Time to market
- g) Break-even period
- h) Commercial potential, demand and requirement in India and abroad
- i) Scalability

## **STAGE 2: Presentation to Evaluation Committee of The Genesis – QUIC**

If the initial evaluation of the business plan / executive summary is positive, The Genesis – QUIC will arrange a meeting with the company founders, during which the company will be expected to present a presentation describing critical aspects of the business plan to an evaluation committee. The presentation will be followed by questions. After the presentation, a final decision will be made regarding the company's entry into the incubator. The company will be informed of final decision execution of the Minutes of the said Meeting.

Depending on the outcome of the presentation, it would be decided by the committee that whether the qualification has been done for Pre-incubation stage or Incubation Stage.

## **5. Pre-incubation Facility**

It is very important to primarily identify which ideas can successfully go through the incubation process. This phase of pre-incubation can prepare student entrepreneurs for the incubation phase by providing them prerequisite skills and knowledge that will help them validate and assess their ideas as well as define their business models in detail. In the pre-incubation planning phase, the following activities are to be performed:

### **a. *Supporting, mentoring and strengthening of ideas:***

The shortlisted ideas for pre incubation will go through series of workshops, webinars, lecture series etc. In order to improve their ideas to solve problems and know various aspects of startups. Each idea may be under mentorship of a mentor from Quantum.

### **b. *Business plan preparation:***

Workshop will be conducted on 'business plan development' for awareness of students by inviting renowned expert from industry or academia. Ideas will be required to present their business plan with market analysis.

### **c. *Prototype development:***

Finally, students have to prepare a prototype for their ideas. The prototype may be prepared under direct supervision of mentor assigned.

**d. *Registration of Start-up:*** The Student Start-up needs to be registered under a form of business entity like Partnership Firm, LLP, Private Limited Company and One Person Company. Start-ups should be able to provide a copy of the registration certificate/letter.

A pre-incubation stage startup / idea can stay in a pre-incubation stage from a period of 6 months to 1 year. After this period either they will be dropped or they will be promoted to the incubation stage. The committee shall take the decision. However, the startup can be dropped from the pre-incubation stage before 6 months, if the IIC feels that they are not making enough progress.

## **6. Incubation Facility**

After the process of pre-incubation, students have to be admitted in The Genesis – QUIC for availing incubation facility. The objective of the incubation facility is to promote the students' ideas into successful startups. For this noble cause, The Genesis – QUIC provides a number of facilities and services to Incubatees so that the innovative ideas can be converted to successful startups. The facilities and services provided to incubatees are illustrated below by the help of which The Genesis – QUIC will try its best to turn students and faculty into successful entrepreneurs.

### **Infrastructure and service provided to Incubatees**

#### **Infrastructural service**

Upon admission to ***The Genesis – QUIC***, the following infrastructural facilities will be offered to the incubate companies here in after:

- ✓ Registered Office Address
- ✓ Common plug and play Office space (4 seats per incubatee)
- ✓ Internet connection
- ✓ Common use printer and reception service
- ✓ Common Lab services

Besides, The Genesis – QUIC will facilitate the incubate companies to access the laboratories and other resources of Quantum University for their product development purposes. Access to departmental resources is possible through the request made to officials of The Genesis – QUIC and usage of such resources should be with permission of the concerned department to avoid conflict with departmental activities and objectives.

Further usage of such resources shall be on commercial basis and in conformity with the policies of The Genesis – QUIC for consultancy/sponsored projects prevailing from time to time. Augmentation of resources in the department on account of such usage shall be the properties of the concerned department.

Apart from physical infrastructure as stated above, The Genesis – QUIC intends to create certain other supports and services which would include:

- a. Pool of mentors, experts in technology, legal, financial and related matters, with or without consideration,
  - b. Organizing events to help companies in networking and show casing their technologies.
  - c. Meetings with visitors of The Genesis – QUIC(such as successful entrepreneurs, VCs, Industry professionals). In addition, The Genesis – QUIC will also buildup information and knowledge pool to be useful generically for start - up companies. The Genesis – QUIC will coordinate with its allied partners and training providers to train the start-up companies.
- ✓ Training in business management: Structured short courses.
  - ✓ Training in business communication: Written as well as verbal.
  - ✓ Accounting tools/software.
  - ✓ Common secretarial pool/staff Experiences of successful companies–acknowledge/information site would be created where management concepts, intellectual property evaluations, deal making, negotiations, networking, VC funding, company registrations etc. are provided.
  - ✓ Networking events/show cases.
  - ✓ Tie-ups with chartered accountants and other professional organizations as required.

### **7. Intellectual Property**

Intellectual Property (IP) can be a patent, software code, copyright, design, developed product, or alike. The IP developed while in the incubation stage shall be applied for Patent under The Patent Act 1970.

- a) In case no seed funding has been provided to the company and very little resources of the University are being used. The Genesis – QUIC shall bear the cost of applying for Patent. In this case the name of the applicant would be Quantum University and inventors would be the members of the incubatee.
- b) In case no seed funding has been provided to the company but resources of the University have been used to develop the IP.
- c) The Genesis – QUIC shall bear the cost of applying for Patent. In this case the name of the applicant would be Quantum University and inventors would be the members of the incubatee plus the faculty who has helped them develop the IP. Revenue sharing agreement with the institute would have to be signed. Revenue sharing will be decided on case-to-case basis.
- d) In case seed funding has been provided to the company The Genesis – QUIC shall bear the cost of applying for Patent. In this case the name of the applicant would be Quantum University and inventors would be the members of the incubatee, the faculty, one nominee of the institute who has helped them develop the IP. Revenue sharing agreement with the institute would have to be signed. Revenue sharing will be decided on case-to-case basis.

## **8. Seed Funding**

The Genesis – QUIC may provide seed in the form of either capital or loan subject to the availability of funds/ grants/ schemes meant for this purpose. Seed fund will be sanctioned only to the registered companies and shall be based on merits of each company. Further, admission to The Genesis – QUIC shall not automatically entitle the companies to seed loan.

A company desirous of getting seed funding may submit an application for seed fund after three months from the date of admission in The Genesis – QUIC. Sanction of seed fund will be decided based on the eligibility criteria as decided by The Genesis – QUIC.

One of the criteria for approval of the seed funding will be the contribution brought in by the promoters to the capital of their companies. Preference will be given to companies who already have some sources of revenue or some customer order booking. The Genesis – QUIC will have sole discretion to sanction or reject an application for seed funding and the decision of The Genesis – QUIC in this regard shall be final. The Genesis – QUIC is not bound to give any reason in case an application for seed funding is rejected.

Notwithstanding anything contrary contained herein the Seed fund sanction and disbursal shall be governed by Seed Fund Guidelines of The Genesis – QUIC. The terms and conditions of interest rate in the case of seed funding and equity in the case of seed capital shall be decided on a case-to-case basis.

## **9. Consideration**

The Genesis – QUIC will charge the incubates for infrastructure and services, seed loan, seed funding. This payment would be in the form of service charges and equity share as per following details.

- a. Minimum 3%- in case there is no involvement of university resources and other support. The incubate would be given a cooling period of 6 months after being inducted into the incubation program. They would have to decide in this period whether they want to continue in the incubation program by giving equity or want to move out.
- b. Charges subject to 5%- in case there is usage of university resources only
- c. Charges subject to 9.5%- in case there is full 100% usage of university resources and other support services

- d. The interest rate in case of seed loan and equity in case of seed capital shall be separate and decided on case to case basis.
- e. Consideration for transfer/ licensing of / permission to use IP in favour of the incubatee companies and the facilities provided by The Genesis – QUIC.
- f. The Genesis – QUIC may ask for additional equity from the companies to whom incubator has supplied specialized equipment at the time of equipment request submitted by the startup.

#### **10. Tenure in The Genesis – QUIC**

Companies will be permitted to stay in The Genesis – QUIC, to begin with, for a period of twenty-four months from the date of being accepted as an incubatee. If the companies are allowed to stay longer will have to pay the charge at the prevailing market rate for the extended period of six months as mutually agreed by the The Genesis – QUIC and the incubatee, which would be for:

- Office space
- Personal Computers
- Internet connection
- Electricity charges including air-conditioning
- Any other facility as may be provided at that time

If a company is provided with specialized capital equipment, rent on the same will be decided on a case-to-case basis. This would, however be finalized prior to approval of a proposal for admission to The Genesis – QUIC or at the time of procurement of the equipment as the case may be.

#### **11. Exit (Graduation)**

- a) Incubatee companies will leave the incubator under the following circumstances:
- b) Completion of stay for twenty four months, unless the stay is extended at The Genesis – QUIC
- c) Underperformance of the team: As per decision of the Quarterly Review Committee
- d) Irresolvable disputes between promoters/ founders.
- e) When the number of employees of the company exceeds twenty (20)
- f) When the annual revenues of the company exceeds Rs. (two) 2 Crores or when a company achieves a Profit before Tax of Rs. 60 (Sixty) Lakhs.
- g) When the company enters in an acquisition, merger or amalgamation deal or re-organization deal resulting substantially a change in the profile of the company, its promoters, directors, shareholders, products or business plans, or when a company plans for a public issue.
- h) Change in promoters'/ founders' team without concurrence of The Genesis – QUIC
- i) Any other reasons when The Genesis – QUIC may find it necessary for an incubatee company to leave.

#### **12. Periodic assessment**

The Genesis – QUIC will evaluate the performance of incubatee companies periodically. Incubatee companies will submit information to The Genesis – QUIC on quarterly basis in a prescribed format. The companies may also be subject to an annual assessment by a committee comprising of external experts.

#### **13. Information Submission**

Incubatee companies will submit information to The Genesis – QUIC about all material changes or developments taking place in their companies from time to time. Such information could be (but not limited to) change in name of the company, change in business or product profile, change in directors, promoters or shareholders, acquisition of a new office, additional equity or debt investments.

#### **14. Conflicts of interest and confidentiality of information**

When a person plays two separate roles in two different positions and he/ she uses one position for his/ her personal benefit in the other role, a situation leading to conflict of interest arises. The Genesis – QUIC endeavors to draw a line between appropriate and inappropriate interactions among its board members, employees, mentors, consultants, affiliates, incubatee companies, their employees, persons connected to them or their promoters, employees and staff, various service providers and suppliers.

This policy also deals with maintenance of confidentiality of proprietary information.

A committee shall be set up by The Genesis – QUIC to resolve any dispute over such situation causing conflicts of interests.

#### **15. Disclaimer**

It is understood that by agreeing to provide various supports and services, The Genesis – QUIC does not undertake responsibility for:

- a) Ensuring success of an incubatee company, its products/ process/ services or marketability,
- b) Any liabilities arising out of any legal or contingent claims
- c) The personal belongings of the promoters, employees and staff.

#### **16. Agreements**

The following agreements are required to be signed by the companies to the extent applicable:

- a) Service agreement
- b) Transfer of technology Agreement/ Technology License Agreement
- c) Fund Agreement
- d) Usage of Departmental Lab.
- e) Any other document as desired by the The Genesis – QUIC

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